

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:

**FARMERS MUTUAL FIRE INSURANCE
COMPANY OF UNION COUNTY**

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No.: 04-075

ORDER ADOPTING EXAMINATION REPORT WITH MODIFICATION

Pursuant to Tenn. Code Ann. §§ 56-22-101, *et seq.* and 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of Farmers Mutual Fire Insurance Company of Union County (hereinafter also referred to as the "Company"), a county mutual fire insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2003, the examiner-in-charge filed with the Division, on the 18th day of June, 2004, a verified, written report on examination, and a copy of that report has been sent to Farmers Mutual Fire Insurance Company of Union County. (The Report of Examination of Farmers Mutual Fire Insurance Company of Union County, is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to Tenn. Code Ann. § 56-22-132, said examination report regarding the affairs of Farmers Mutual Fire Insurance Company of Union County, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 18th day of June, 2004, is hereby **ADOPTED** as filed with the following **MODIFICATION**:

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Dept. Of Commerce & Insurance
Company Examinations

The Report on Examination is hereby **MODIFIED** by deleting the Tennessee Code section citation "Tenn. Code Ann. § 56-21-122" and replacing it with the citation "Tenn. Code Ann. § 56-22-130" in the section titled "Comments on acts of officers and directors; any apparent violations of the Association's Bylaws, or of the laws of the State of Tennessee; general comments regarding the conduct of business" as found on page eight (8) of the Report of Examination.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Farmers Mutual Fire Insurance Company of Union County for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Modification merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 26th day of August, 2004.

Paula A. Flowers
Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



Eric J. Stansell (BPR# 021707)

Staff Attorney

Tennessee Department of Commerce and Insurance

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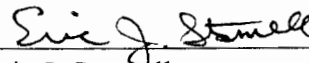
Davy Crockett Tower, Fifth Floor

Nashville, Tennessee 37243

(615) 741-2199

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Farmers Mutual Fire Insurance Company of Union County, 140 Court Street, Maynardville, Tennessee 37807, on this the 30th day of August, 2004.



Eric J. Stansell

Certifying Attorney